UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK

In re:	:	Chapter 11
AVENICA, INC., Debtor.	:	Case No. 17-41813-ESS

In re:	:	Chapter 11
GALLANT CAPITAL MARKETS, LTD., Debtor.	:	Case No. 17-41814-ESS

DECLARATION OF ESTHER DUVAL, CPA, CFF, AS CHAPTER 11 TRUSTEE IN SUPPORT OF EMERGENCY MOTION FOR ENTRY OF AN ORDER AUTHORIZING THE TRUSTEE TO HAVE THE DEBTORS' ESTATES PERFORM EMPLOYEE RELATED OBLIGATIONS IN ACCORDANCE WITH CERTAIN PRE-PETITION PRACTICES OF THE DEBTORS

Esther DuVal, CPA, CFF, as Chapter 11 Trustee, being duly sworn, states the following under penalty of perjury:

1. I am the Chapter 11 Trustee of Avenica, Inc. ("Avenica") and Gallant Capital Markets, Ltd. ("Gallant", together with Avenica, the "Debtors"), the Debtors in the above-captioned bankruptcy cases.

2. This Declaration is submitted in support of the Chapter 11 Trustee's Emergency Motion for the Entry of an Order Authorizing the Trustee to Have the Debtors' Estates Perform Employee Related Obligations in Accordance with Certain Pre-Petition Practices of the Debtors (the "Employee Motion").

3. The Trustee was appointed only one week ago and the background that follows herein is the Trustee's understanding at this time of certain aspects of Gallant's and Avenica's business operations as they relate to employees. The Trustee fully expects that additional facts will be determined in time that may relate to the Employee Motion. Notwithstanding, the Trustee moves now on an emergency basis due to the Trustee's desire to ensure that employees are timely paid this Friday, June 9, 2017, for services rendered for the period May 20, 2017 to June 2, 2017.

4. Based upon the Trustee's immediate investigation into the affairs of Gallant and Avenica, it is the Trustee's understanding that Gallant functioned as a foreign currency exchange trading platform and developer and/or reseller of trading platforms, programs, software and intellectual property. Avenica functioned essentially as an employment agency whose employees operated Gallant.

5. By virtue of this arrangement, it is also the Trustee's understanding that Gallant funded Avenica, to the extent necessary, for Avenica to meet payroll obligations.

6. Notwithstanding Avenica's seemingly narrow purpose, Avenica contracted with ADP TotalSource, Inc. ("TotalSource") to house its employees with TotalSource as a co-employer, which shifted significant human resource related functions from Avenica to TotalSource. This relationship also provided an opportunity for employees to access insurance programs through TotalSource that Avenica may not have been able to access on its own.

7. On June 2, 2017, Stephanie Hansen of TotalSource issued a notice of contract termination (the "Hansen Notice") to Beata Zahorska of Avenica, TotalSource's business contact at Avenica. The Hansen Notice states: "Due to the fact that Avenica failed to submit a wire for payment of the June 9th payroll by May 19th, as required in the Stipulation Settling Emergency

Motion of ADP TotalSource, Inc. for Relief from the Automatic Stay, ADP TotalSource is exercising its right to terminate the contract between Avenica Inc., Avenica Solutions and ADP TotalSource, effective May 21, 2017."

8. The Trustee's understanding is that on or about June 1 or 2, 2017, TotalSource identified what it believes to be a missed payment by Avenica that was due on May 19, 2017 pursuant to the Stipulation, and as a result, TotalSource issued a notice of termination of the agreement between Avenica and TotalSource.

9. Due to TotalSource's notice of termination, the Trustee must now immediately take over certain payroll obligations to ensure that employees are timely paid by this Friday, June 9, 2017, in accordance with their normal pay schedule, for services provided from May 20, 2017 through June 2, 2017.

10. I therefore seek entry of an order on shortened notice, substantially in the form attached hereto as **Exhibit A** to the Employee Motion submitted herewith, authorizing the Trustee to (i) remit payment from Gallant to Avenica, in order to enable Avenica to effectuate and meet its payroll obligations due to be paid on June 9, 2017 for the May 20, 2017 through June 2, 2017 pay period, and fund related expenses, and (ii) have Avenica (a) issue payment to a third party paycheck processor or paychecks directly to employees for amounts due and owing to employees for the May 20, 2017 through June 2, 2017 pay period, so that employees are timely paid on June 9, 2017; and (b) withhold, reserve and/or pay, to the extent necessary in the Trustee's sole discretion, monies owed for related taxes, withholdings and payroll related expenses. The proposed gross amounts to be paid to employees in connection with this Employee Motion are identified on **Schedule 1** hereto.[1]

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[1] Employees are identified by initials only on the attached Schedule 1.

I declare under penalty of perjury that the foregoing is true and correct to the best of my knowledge, information, and belief.

Dated: June 7, 2017

By: *_/s/ Esther DuVal_*
Esther DuVal

SCHEDULE 1

Avenica Inc.
1-17-41813

INITIALS	GROSS PAY
YA	$ 2,884.62
BB	$ 2,769.23
SB	$ 1,846.15
BD	$ 1,730.77
DF	$ 3,846.15
YF	$ 2,769.23
CG	$ 3,311.54
IM	$ 4,846.15
AA	$ 2,500.00
AG	$ 1,653.85
MO	$ 2,769.23
CS	$ 2,500.00
YV	$ 3,846.15
PW	$ 2,500.00
PY	$ 2,307.69